

INCORPORATING OUTDOOR ADVERTISING BILLBOARD VALUATION INTO ESTATE MANAGEMENT CURRICULUM IN NIGERIAN UNIVERSITIES

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Abstract

A general overview of the curricula of educational institutions of higher learning in Nigeria suggests that billboard valuation is not included. This lack of billboard valuation education partly accounts for the intrusion of other professionals, who are not trained at all in property appraisal, into the valuation of billboards for outdoor advertising companies who desire valuation for different purposes. This paper seeks to advocate for the inclusion of the subject of billboard valuation in the curricula of universities offering Estate Surveying and Valuation in Nigeria so as to widen the latitude of choice of courses among the students and enhance professional specialisation in the near future. Secondary sources of data was resorted to through a review of National Universities Commission's (NUC) and Nigerian Institution of Estate Surveyors and Valuers' (NIESV) curricula for selected universities in Nigeria. Literature relating to billboard valuation was also explored to unveil their unique characteristics and valuation challenges that justify the clamour for inclusion of the subject in the curricula. It was discovered that despite the commonplace presence of billboards along thoroughfares in Nigeria, their intrinsic value and special features that make their valuation unique, billboard valuation is not taught in Nigerian universities. Incorporating this subject in the curricula will satisfy the interest of a new block of students in the short run, and create opportunity for specialisation, improve the quality of valuation service to stakeholders in the outdoor advertising business and provide additional source of income and employment to Estate Surveyors and Valuers in the long run.

Keywords: Billboard, Valuation, Curricula, Estate Management, NIESV, NUC.

1 INTRODUCTION

In Nigerian universities, the Department of Estate Management (also known as Estate Surveying and Valuation in some schools), trains professionals in valuation, thus, according to [1], valuation is one of the core courses taught within the Estate Management curriculum of universities, polytechnics and colleges of technology. In a world of increasing specialisation in most professional fields, the relevance, to industry requirements, of the courses taught in the universities, is imperative to the sustenance of these professions, the development of potentials for professional specialisation and the overall success of the students in future.

Within most universities, professional schools are located at the nexus of two bodies, namely the professions for which they provide professional knowledge and technical skills and the universities to which they belong [2]. In line with this scenario in Nigeria, both the National Universities Commission (NUC) and the professional bodies contribute to curriculum development and management, and accredit the schools for educational and professional training. In the valuation profession in Nigeria, the NUC and the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) carry out these tasks. The researcher's agitation is whether or not the valuation courses currently being taught Estate Management undergraduate students in Nigerian universities can address the current yearnings in the industry, give the students ample opportunity for choice, enhance professional specialisation, help in curbing valuation quacks and their patronage and culminate in prosperous professional practice among Estate Surveyors and Valuers.

The Outdoor Advertising Billboard (OAB), particularly the off-site, stand-alone type, is a specialised income-producing real property, which is a veritable source of income to the outdoor advertising industry, a multi-million dollar industry in Nigeria. Valuation of this key asset for purposes of: securing bank loans; compensation; eminent domain issues; sale/purchase; insurance; and in the event of disagreements and litigations, among others, by the outdoor advertising companies, banks and government agencies, should be commonplace. However, investigations show that due to lack of specialised training, Its valuation in Nigeria is shrouded in secrecy and almost out of the purview of the Estate Surveyors and Valuers.

Unlike in the United States of America where some members of the Appraisal Institute (MAI) specialise in the valuation of billboards [3] and [4], the few valuers in Nigeria who carry out billboard valuation do it by the rule of thumb. There is seemingly a lack of adequate educational knowledge and training background for Estate Valuers in Nigeria, hence the need for a curriculum review of Estate Management departments in Nigerian universities. Incorporating billboard valuation into the curriculum of Estate management in Nigerian universities will jump-start the process of specialisation in this field and making billboard valuation a core competence area of the profession.

This paper focuses on a critical review of NUC requirements, the curriculum of Estate Management Departments and the content of valuation courses taught in the three selected universities to justify the clamour for inclusion of OAB valuation in their curriculum. This will expand the latitude of choice of valuation courses among students, inculcate sound knowledge and training in an additional area of practice, facilitate specialisation in OAB valuation in future and help in eradicating the incursion of quacks into valuation, thereby improving the fortunes of the practice of Estate Surveying and Valuation in Nigeria.

2 LITERATURE REVIEW

Unlike other real estate properties, OAB presents different and unique characteristics that pose challenges to valuers. According to [5] and [6], the value of a billboard encompasses three distinct components that define the appraisal unit namely: the leasehold (or freehold) land on which the billboard stands; the billboard structure itself; and the use permit that enables the billboard to operate on the site.

[3], in a study of billboard valuation in the United States of America succinctly posits that "billboards present a special valuation challenge beyond the three approaches to value. They may be considered personal property for some purposes and real property for others. The assessor should thoroughly research the laws governing billboard in his jurisdiction before beginning the arduous task of valuing them". This discussion captures the lack of consensus regarding the legal classification of billboards - whether outdoor advertising assets, especially billboards, are personal property or real property, and how the legal environment where valuation takes place impinges on valuation methodology. According to [4], another issue that affects valuation of OAB is the problem of identification and allocation of the assets of an outdoor advertising business (tangible and intangible) that contribute to the business value, and how much of it is attributable to the billboard based on the principle of contribution. As a result of this, this author declares that it is not uncommon to have opinions of value of billboards that differ two to five times in valuation, which is different from the typical variance in value occasioned by valuers' interpretation of market data.

Considering the uniqueness of OAB as a real property, the special challenges posed by its valuation for many purposes and the fact that an understanding of the outdoor advertising business is a *sine-qua-non* for its valuation, it is important to educate and train students in billboard valuation to prepare them for professional practice in an increasingly dynamic business world. To make this possible, a review of the current curriculum of Estate Management Departments of Nigerian universities is imperative.

Curriculum *development* connotes a planned, purposeful, progressive and systematic process to create positive improvements in the educational system. Every time there are changes or developments and happenings around the world, the school curricula are affected, thus creating the need to update them to address the society's needs [7]. According to [8], developing a well-thought-through, challenging school curriculum is central to the running of any school. A curriculum is considered the "heart" of any learning institution which means that schools or universities cannot exist without a curriculum. With its importance in formal education, the curriculum has become a dynamic process due to the changes that occur in our society.

Therefore, in its broadest sense, curriculum refers to the "total learning experiences of individuals not only in school but society as well" [9]. Curriculum is at the core of education at all levels as it acts as the vehicle through which the educational expectation of society is translated into reality [10]. In this respect, curriculum applies to formal educational settings where learning is guided in content and structure and regulated by time. According to [11], curriculum can be understood as a body of knowledge to be transmitted to the learner, expected outcome of the transmission on the learner, process of transmitting the knowledge as well as application of the skills acquired. In summation of the

above, [12] defined curriculum as “a programme of education prepared for definite group of learners within a time frame in order to achieve the intended behavioural outcomes”.

From the foregoing, a good curriculum should possess a number of characteristics which include contextual relevance and responsiveness to societal needs [13]. In this vein, a flexible curriculum, both in structure and content, is germane to professional education and training, so as to meet the demands for professional services such as valuation of OAB, in a rapidly expanding economy like Nigeria [14].

3 METHODOLOGY

Out of the six universities accredited for estate management in Southwest Nigeria [15], three were selected for this study namely; Obafemi Awolowo University, Ile-Ife (OAU), University of Lagos (UNILAG) and Covenant University, Ota (CU) representing two public universities and one private university respectively, thereby covering the two types of proprietorship – government and the private sector. The curricula were qualitatively analysed with the aim of comparing the content of the valuation courses taught at each level as stipulated by both the Nigerian Universities Commission (NUC) and the Nigerian Institution of Estate Surveyors and Valuers (NIESV).

4 RESULTS AND DISCUSSION

The results in Tables 1 and 2 reveal the course codes, titles and contents of valuation courses specified by NUC [16] as compulsory minimum benchmark for universities offering Estate Management in Nigeria [16]. Table 1 specifically deals with the valuation courses offered in each level for both first and second (Alpha and Omega or Harmattan and Rain) semesters in the selected universities. The table indicates that all the valuation core courses as dictated by NUC have been addressed by the curriculum of the Departments of Estate Management in the selected universities. However, the course codes vary slightly among these universities.

Furthermore, from the analyses, 100 level and 400 level students do not offer any valuation course. Valuation courses were introduced early enough into the curricula at 200 level in all the universities selected. From the course titles shown in Table 1 and content of the valuation courses shown in Table 2, it is glaring that billboard valuation is not included. The recommendation of the Nigerian Institution of Estate Surveyors and Valuers (NIESV) for a more industry-related syllabus encouraged the introduction of valuation of specialised properties into the content of Advanced Valuation I and II and the separation of Plant and Machinery Valuation (ESM 516 and 526 in CU; ESM 515 and 516 in OAU) from Advanced Valuation as shown in Table2. Also, Table 2 revealed that the content of Advanced Valuation II which includes valuation of specialised properties such as hotels, filling stations, garages, airfield assets, parks, ocean vessels and public properties such as stadia, churches, mosques etc. does not include outdoor advertising billboards (OAB) assets. The window for elective (optional) courses shown in Table 2 does not give opportunity for students to make choice among many valuation courses as only Plant and Machinery Valuation is available.

Table 1. NUC Compulsory Valuation Courses in Estate Management Departments of Selected Universities in Nigeria

Level	Semester	Valuation Courses	OAU	UNILAG	CU
100		N/A	N/A	N/A	N/A
200	First	Introduction to Valuation I	ESM 201	ESM211	ESM211
	Second	Introduction to Valuation II	ESM 202	ESM212	ESM221
300	First	Principles of Valuation I	ESM 301	ESM 311	ESM 311
	Second	Principles of Valuation II	ESM 302	ESM 312	ESM 321
400		N/A	N/A	N/A	N/A
500	First	Advanced Valuation I	ESM 501	ESM 511	ESM 511
	Second	Advanced Valuation II	ESM 502	ESM 512	ESM 521

Source: NUC Benchmark Minimum Courses and Academic Handbooks and Prospectus of the selected universities

Table 2. Content of Mandatory Valuation Courses (NUC) and Elective Valuation Courses of the Selected Universities

Level	Valuation Courses	Summary of Merged Course Contents for OAU, UNILAG & CU		
Compulsory Valuation Course				
200	Introduction to Valuation I	Economic bases, nature & concept of value; Price, cost & value; definition of valuation; purposes, the valuer, his functions & methods; types of properties and the interests therein; nature of real estate; determinants of values; investments generally; stock exchange & capital markets operations generally; rates of interest, outgoings & the relationship between rental value & income.		
	Introduction to Valuation II	Concept of YP & construction of & use of Valuation Tables. Methods of valuation; Rent theories & their relevance to valuation. The investment method of valuation. Freehold & Leasehold valuation. Analysis of sales; annual equivalent, virtual rent, cost-in-use valuation. Landlord and tenant valuation.		
300	Principles of Valuation I	Analysis of sales and letting of freehold & leasehold properties. Effect of income tax on sinking fund & YP. Valuation of terminable interests. Introduction to contemporary valuation methods. Mortgage analysis.		
	Principles of Valuation II	Statutory valuation such as compensation, tax. Mortgage valuation, insurance valuation.. Going concern and alternative use of valuation. Valuation of company assets. Valuation of goodwill. Methods of calculating depreciation. Agricultural valuation. Valuation inspection, report writing and proof of evidence. The estate surveyor & valuer as an expert witness.		
400	N/A	N/A	N/A	N/A
500	Advanced Valuation I	Errors of reversionary leasehold interests & methods of correcting them. Contemporary models of valuation. Valuation of way leaves, royalties & goodwill. Environmental valuation, valuation of specialised properties e.g. hotels, motels, restaurants, filling stations, public buildings, churches & mosques etc. real value approach and DCF.		
	Advanced Valuation II	The effects of planning, current economic conditions and legislation on value of property. Development valuation & valuation of development in progress. Mineral valuation, capital budgeting. Introduction to Asset Pricing – CAPM; introduction to portfolio selection, allocation & diversification. Portfolio management & performance measurement. Market area analysis.		
Elective Valuation Courses				
500	Plant and Machinery (P&M) Valuation I	Definition & purposes of P & M valuation; basics of P & M valuation; methods of P & M valuation. Valuation process; referencing, inventory & schedule compilation. Depreciation of P & M. Factors, procedures & problems. Knowledge content of P & M valuation. Preparation of reports		
	Plant and Machinery Valuation II	Materials & processing in manufacturing & textile, food or meal canning industry in Nigeria. Nigeria industrial & economic policy history. Valuation of obsolete plant & machinery. Examination of the application of standards – RICS (The Red Book), NIESV, guideline notes, IVS, IFRS. The state of the art in valuation of P & M in Nigeria. Present & future demands for P & M valuation in Nigeria.		

Source: Survey/Academic Handbooks and Prospectus of the selected universities

Among the specialised properties included in the contents of 'Advanced Valuation I and II depicted in Table 2, none is as ubiquitous in our built environment as outdoor advertising billboards (OABs), which can be found along almost every highway and thoroughfare in Nigeria and the main asset in the outdoor advertising business.

5 CONCLUSIONS

Educational and professional training of students while in school are key to their performance in practice and relevance to the industry. It is more so in this fast-pace, ICT-driven world. One major vehicle to achieve high quality educational and professional training is through curriculum development and periodic reviews to be in tune with global happenings in the industry. Findings from this study have revealed that there is need for injection of new courses into the syllabuses of Estate Management Departments of Nigerian universities to boost the potentials of the students for

specialisation in future and enhance their competence in providing professional services to a wider spectrum of clients.

Considering the importance of outdoor advertising to the Nigerian economy, the high capital investment in modern billboards by outdoor advertising companies and advertisers in Nigeria and the fact that demand for valuation of OAB for many purposes will continue to be on the increase, Valuation of OAB is a course that should be inculcated into the curricular of the universities offering Estate Management in Nigeria. To do this, the option, as revealed in Table 2, is either to add it as a major topic of 'Advanced Valuation under valuation of specialised properties or added as a full course under the 'elective' valuation courses, which are currently scanty. This will improve the competence level of the students in this area and enhance specialisation in this field in future.

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